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Aviation Security Research and Development Division (AAR-500) Contract Management Handbook

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16. Abstract The Federal Aviation Administration's (FAA's) Acquisition Management System (AMS) was established to dramatically improve the agency's acquisition process by creating a framework for informed and innovative decision-making. The AMS provides extensive guidance regarding the FAA's procurement system. The stated goal of the procurement system is "to obtain high quality products, services, and real property in a timely, cost effective manner, at prices that are fair and reasonable". The Aviation Security Research and Development Division (AAR-500) recognized the need to supplement the policy and guidance provided by the AMS by identifying internal processes. This Handbook meets that need by clearly defining AAR-500 personnel roles, responsibilities, and process activities that uphold the procurement policy of the agency.			
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EXECUTIVE SUMMARY

The Federal Aviation Administration (FAA) has executed contracts and agreements to acquire products, services, and real property for many years. The FAA's Acquisition Management System (AMS), established on April 1, 1996, introduced the revised policy, guidance, and tool sets for an agency-wide procurement system. The stated goal of this procurement system is "to obtain high quality products, services, and real property in a timely, cost-effective manner, at prices that are fair and reasonable." According to former Acquisition Executive George L. Donohue, the AMS has greatly improved the FAA's acquisition process and allows for informed and innovative decision-making.

The Aviation Security Research and Development Division (AAR-500) recognized the need to supplement the policy and guidance provided by the AMS. The goal was to create a resource that would clearly define personnel roles, responsibilities, and process activities for AAR-500 programs related to procurement activities that support and uphold the FAA's procurement policy. The resulting Contract Management Handbook provides detailed guidance for purchasing goods and services from external suppliers. The four-phased procurement lifecycle, as defined in this handbook, consists of the following phases:

- Phase 1: Need Establishment
- Phase 2: Vehicle/Method Selection
- Phase 3: Supplier Evaluation and Selection
- Phase 4: Post Award Monitoring

The eight major vehicles/methods employed by AAR-500 programs to procure external goods and services are also described in detail in this handbook. They are:

- Credit Card Purchases, Up To \$10K
- Credit Card Purchases, Up To \$100K
- Delivery Orders on Existing Commercial Contracts
- New Commercial Contracts
- Interagency Agreements
- International Agreements
- Cooperative Research and Development Agreements (CRDAs)
- Grants

Process flow diagrams followed by textual details provide the tools necessary to ensure repeatability of the vehicle/method process throughout the organization.

ACRONYMS AND ABBREVIATIONS

AAR-500	Aviation Security Research and Development Division
ACT-8	Civil Aviation Security Staff
ACT-50	Logistics Division
ACT-51	Contracts Branch
ADR	Alternative Dispute Resolution
AGC-7	Office of General Council
AIA	Office of International Aviation
AMS	Acquisition Management System
API-18	Office of Budget and Finance
ASD-500	International Research and Acquisitions Office
CO	Contracting Officer
COTR	Contracting Officer's Technical Representative
CRDA	Cooperative Research and Development Agreement
DOT	Department of Transportation
DPA	Delegation of Procurement Authority
DSR	Display System Replacement
FAA	Federal Aviation Administration
FCO	Funds Certification Official
GCE	Government Cost Estimate
ISMT	In-Service Management Team
MIPR	Military Procurement/Purchase Request
MOC	Memorandum of Cooperation
MOU	Memorandum of Understanding
ODRA	Office of Dispute Resolution for Acquisition
POC	Point of Contact
PR	Procurement/Purchase Request
R&D	Research and Development
RE&D	Research, Engineering and Development
RFP	Request for Proposal
SIR	Screening Information Request
SOW	Statement of Work
WJHTC	William J. Hughes Technical Center

1. INTRODUCTION

1.1 Purpose

This Contract Management Handbook provides detailed guidance for purchasing goods and services from external suppliers. This handbook provides criteria for selecting the most appropriate vehicle/method and flow diagrams with textual details for individual procurement processes. Additionally, this document describes the roles and responsibilities of key process participants, and includes references to external documents for additional guidance.

1.2 Background

The Federal Aviation Administration's (FAA's) Acquisition Management System (AMS) was established on April 1, 1996, to dramatically improve the agency's acquisition process by creating a framework for informed and innovative decision-making. These acquisition reforms, along with anticipated budget reform, would move the agency closer to the congressional goal of providing the agency with a "new way of doing business" to meet the challenges of a dynamic and growing aviation industry while ensuring the safety of the traveling public.

The AMS provides extensive guidance regarding the FAA's procurement system. The stated goal of the procurement system is "to obtain high quality products, services, and real property in a timely, cost-effective manner, at prices that are fair and reasonable." The procurement system is designed to provide policy and guidance for executing contracts and agreements to acquire products, services, and real property.

The Aviation Security Research and Development Division (AAR-500) recognized the need to supplement the policy and guidance provided by the AMS by identifying internal processes. The goal was to create a resource that would clearly define personnel roles, responsibilities, and process activities for all AAR-500 personnel related to procurement activities that support and uphold the procurement policy of the agency. The strategy for meeting this goal included process meetings, information coordination, and the development of this Contract Management Handbook.

2. HOW TO USE THIS HANDBOOK

This handbook is designed to serve as a helpful desktop resource for AAR-500 program team members who are responsible for purchasing and acquiring external goods and services. There are several vehicles/methods that can be employed to make such purchases. The vehicles/methods are listed in Section 3, "Procurement Lifecycle," which describes the lifecycle that all procurements follow. Guidance for selecting the most appropriate vehicle/method and supplier is also provided. Section 4, "Vehicle/Method Processes," provides flow diagrams along with textual descriptions of each vehicle/method. Roles and responsibilities of process participants are also identified.

The William J. Hughes Technical Center (WJHTC) Logistics Division, ACT-50, serves a key role in several of the contracting processes. With regard to certain credit card purchases, commercial contracts, and interagency agreements, this handbook will be used in conjunction with the ACT-50 Logistics Division contracts processes listed below:

- ACT-50 Logistics Division Management Process
- ACT-50 Logistics Division Pre-Award Process
- ACT-50 Logistics Division Evaluation and Award Process
- ACT-50 Logistics Division Credit Card Purchase with Template/Form or Procurement Request Process
- ACT-50 Logistics Division Post Award Contract Management Process
- ACT-50 Logistics Division Revision (Modification) and Delivery Order Contract Management Process
- ACT-50 Logistics Division Interagency Agreement/Reimbursable Agreement Process
- The Display System Replacement (DSR) In-Service Management Team (ISMT) and ACT-50 Logistics Division Credit Card Purchase Process
- ACT-50 "Assumptions" tool

These processes are available at the WJHTC intraweb site and are referenced specifically in the associated AAR-500 processes described in Section 4 of this handbook.

3. PROCUREMENT LIFECYCLE

All procurement activities, regardless of the vehicle/method of choice, follow the same overall lifecycle. The lifecycle, as shown in Figure 1, is characterized by the following four phases: Need Establishment, Vehicle/Method Selection, Supplier Evaluation and Selection, and Post Award Monitoring. Each phase is described in the following sections.

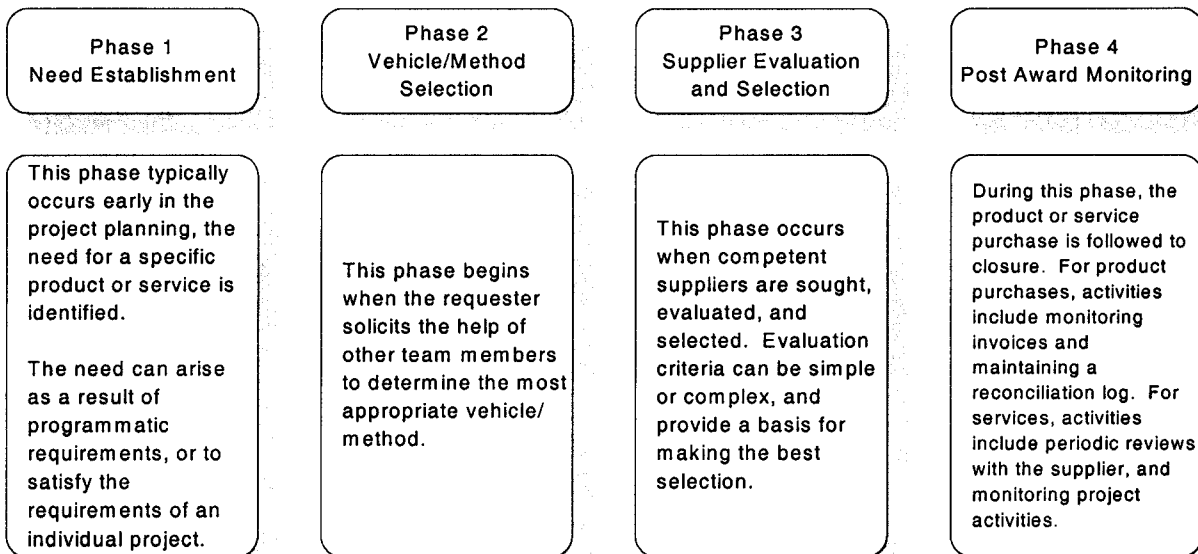


FIGURE 1. FOUR-PHASED PROCUREMENT LIFECYCLE

3.1 Phase 1: Need Establishment

During Phase 1 of the procurement lifecycle, a need for the product or service is formally identified. Typically, this is completed once a concept has been approved as a formal project. Specific products or services may require external development and support once project needs and available resources have been analyzed. A detailed technical description of the goods or services is developed in addition to a list of assumptions and constraints. The Concept Evaluation Sheet and individual project plans capture needs and provide the data necessary to begin defining the technical requirements for contract solicitation.

3.2 Phase 2: Vehicle/Method Selection

There are eight major vehicles/methods employed by AAR-500 programs to acquire needed goods and services. These vehicles/methods are described below. Each description includes information that can be used to select the most appropriate vehicle/method for a particular need. The process for using each vehicle/method can be found in this handbook in the section indicated. ACT-50 is currently developing the “Assumptions” tool that provides additional guidance for selecting the appropriate vehicle/method.

TABLE 1. VEHICLES/METHODS FOR ACQUIRING NEEDED GOODS AND SERVICES

Vehicle	Description	Section
Credit Card Purchases, Under \$10K	FAA credit cards can be used to purchase goods and services that do not exceed \$10K (per single order of one or many items). This is the procurement method of choice for acquiring small scope (time and dollars) products and services from suppliers that do not have a contract vehicle in place.	4.2.1
Credit Card Purchases, Under \$100K	FAA credit cards can also be used to purchase goods and services that do not exceed \$100K (per single order of one or many items). Although a new contract vehicle can be used for these purchases (when a current vehicle does not exist), this is the procurement method of choice to avoid a lengthy contracts process. Additionally, this credit card procurement method is used to purchase goods and services valued under \$10K when the monthly credit card limit has been reached.	4.2.2
Delivery Orders on Existing Commercial Contracts	The program typically has several active contracts that provide contractor support for project initiatives. When needed goods or services fall within the scope of an existing contract, it is beneficial and preferred to acquire the goods or services by drafting a delivery order on that existing contract.	4.2.3
New Commercial Contracts	A new commercial contract may be sought when needed goods or services do not fall within the scope of an existing commercial contract, or exceed limits allowed by credit card purchases.	4.2.4
Interagency Agreements or Memorandum of Agreement (MOA)	Interagency Agreements allow AAR-500 programs to obtain services and supplies from other Federal agencies. It is beneficial to establish such an agreement when the needed product or service is unique to the expertise of another agency and is not typically commercially available. An MOA can also be used with other agencies or a company.	4.2.5
International Agreements: Memorandum of Cooperation (MOC) or Memorandum of Understanding (MOU)	An MOC is a legally binding research and development agreement between the FAA and a foreign entity (government or private). These agreements are entered into when there is a recognized benefit for mutual cooperation and are recognized as treaties. An MOU is not legally binding and may be appropriate for agreements that do not have well defined requirements and do not require an immediate commitment.	4.2.6
Cooperative Research and Development Agreements (CRDAs)	CRDAs allow the FAA to share facilities, equipment, services, and personnel resources in cooperation with private industry, academia, or state/local government agencies. This is not a straight Grant and the government has more control.	4.2.7

Grants	AAR-500 programs can take advantage of the Aviation Research Grant Program. All colleges, universities, and legally incorporated nonprofit research institutions qualify for research grants and cooperative agreements. Individuals and private "for-profit" businesses are generally ineligible, although research grants can be awarded to organizations proposing research in aviation security technologies.	4.2.8
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3.3 Phase 3: Supplier Evaluation and Selection

According to the FAA's AMS, it is policy to procure products and services from sources that offer the best value to satisfy the FAA's mission need. It is also policy to provide reasonable access to competition for firms interested in obtaining contracts.

During Phase 3 of the procurement lifecycle, "Supplier Evaluation and Selection," competent suppliers are sought and evaluated using the appropriate vehicle/method process. The technical requirements developed in the first phase are used as the basis for evaluation. For service contracts: initial cost, technical capabilities, and lifecycle costs are the primary criteria that drive the selection and award. A kickoff meeting is conducted after the award and formal communications are established. For product purchases: total cost, quality and availability are the primary criteria that drive the selection.

Section 3 of the AMS, Procurement Policy, provides source selection guidance including the use of Screening Information Requests (SIRs) to solicit information and criteria for evaluating and selecting sources for the award of complex and noncommercial competitive contracts. The AMS document provides checklists to support decision activities.

3.4 Phase 4: Post Award Monitoring

During this final phase of the procurement lifecycle, appointed program personnel monitor all aspects of the original agreement to ensure that the product or service meets contractual requirements. For service contracts, this includes review of all pertinent planning documentation and verification of all work products. Status and review meetings are a critical part of this monitoring phase and are an integral part of the overall project management. For product purchases, post award monitoring involves resolving any disputes and reconciling invoices.

4. VEHICLE/METHOD PROCESSES

This section describes the process activities that must be performed once a vehicle/method has been selected. Section 4.1, Roles and Responsibilities, begins with a description of the roles and responsibilities of the key process participants. Section 4.2 continues with process descriptions for each of the eight vehicles/methods. These descriptions include process diagrams followed by the textual details of responsibilities, activities and reference documents. Each process starts with entry criteria and continues with several consecutive, iterative and/or concurrent steps. Key decision points are identified and indicate all possible paths. Each process ends with the exit criteria. The legend in Figure 2 applies to all process diagrams.

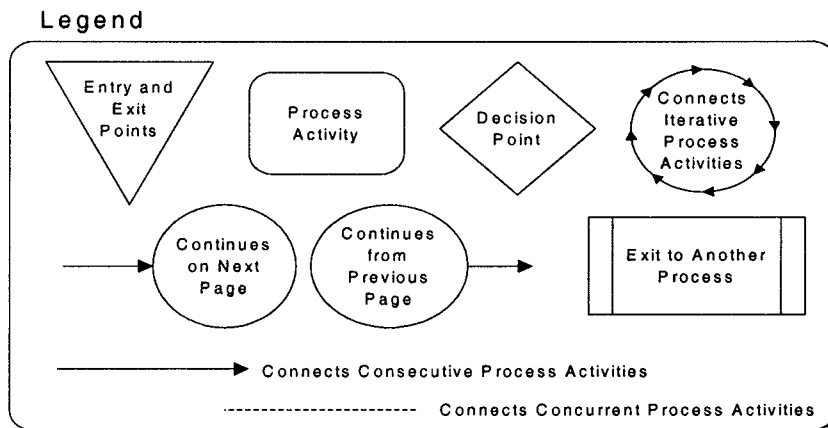


FIGURE 2. PROCESS DIAGRAM LEGEND

Textual details of each of the process diagrams are provided in the form of a three-column table. The first column provides the step identification number, which corresponds to the numbered activities in the flow diagram. The second column describes the individual(s) responsible for completing the activity. The third column provides a detailed description of the process step, including any special tools and reference documents.

4.1 Roles and Responsibilities

There are several roles that appear across each of the processes, and others that are specific to the selected vehicle/method. Each of those roles and corresponding responsibilities are described below. Any authority (e.g. approval authority) is also identified.

TABLE 2. ROLES AND RESPONSIBILITIES

Role	Overall Responsibility and Authority
Requester	The requester is any member of an AAR-500 program who identifies the initial need for a good or service. Typically, this person is responsible for initiating and coordinating any forms and signatures that must be completed.
Program Lead	The Program Lead is the first level of approval authority and provides signatures to signify approval that the product or service is required and necessary on that project.
Funds Certification Official (FCO)	The FCO is the AAR-500 representative who verifies the availability of funds for all purchases and assigns a funding citation. The FCO has the authority to postpone or reject a request for lack of funds.
Credit Card Holder	The Credit Card Holder is authorized to make credit card purchases for the FAA. According to FAA Order CT4400.14A, all cardholders must be provided with a fully executed Delegation of Procurement Authority (DPA) that is signed by the Chief of the Contracting Office before any purchases can be made. (All credit card holders must have taken appropriate training prior to being provided a DPA.).

TABLE 2. ROLES AND RESPONSIBILITIES

Role	Overall Responsibility and Authority
Branch Secretary	The Branch Secretary is primarily responsible for entering requests into the Acquire database (using the funding citation(s)) and forwarding documents to other offices (e.g. the ACT-51 contracts office) when applicable.
Branch Manager	The Branch Manager is the second level of approval authority and provides signatures to signify this approval.
ACT-50 Logistics Division	ACT-50 becomes involved with all domestic agreements and/or contracts. ACT-50 has the authority to reject any submissions, require the use of another vehicle/method, override the selected supplier and/or reject contractor proposals. ACT-51 Contracts Branch deals specifically with commercial contracts, international agreements, or credit card purchases.
AIA Office of International Aviation	AIA is responsible for coordinating international research and development agreements based on requests from the programs. AIA acts as a buffer between the FAA program requester and the Office of General Council (AGC-7) to coordinate and resolve legal issues. AIA is also responsible for coordinating financial issues (e.g. establishing reimbursable accounts) with the staff of the Office of Budget and Finance (API-18).
Program Director	<p>The Program Director exercises oversight of research grant policy, procedures, and technical goals. The appropriate Program Director will depend on the size of the grant requested, as follows:</p> <ul style="list-style-type: none"> • The Administrator approves grant requests over \$5 million. • The Associate Administrator for Research and Acquisitions approves grant requests between \$2.5 and \$5 million. • The FAA WJHTC Director approves grant requests between \$1 and \$2.5 million. • Service Directors (or equivalent) approve grant requests under \$1 million.

4.2 Process Descriptions

4.2.1 Credit Card Purchases, Up to \$10K

Credit card purchases for products and services under \$10K (per order of one or many items) follow a process that is internal to the respective AAR-500 program. Unlike the other vehicles/methods, all of the activities are performed within the organization. Figure 3 is a flow diagram of this process, and is followed by a detailed textual description of the process in Table 3.

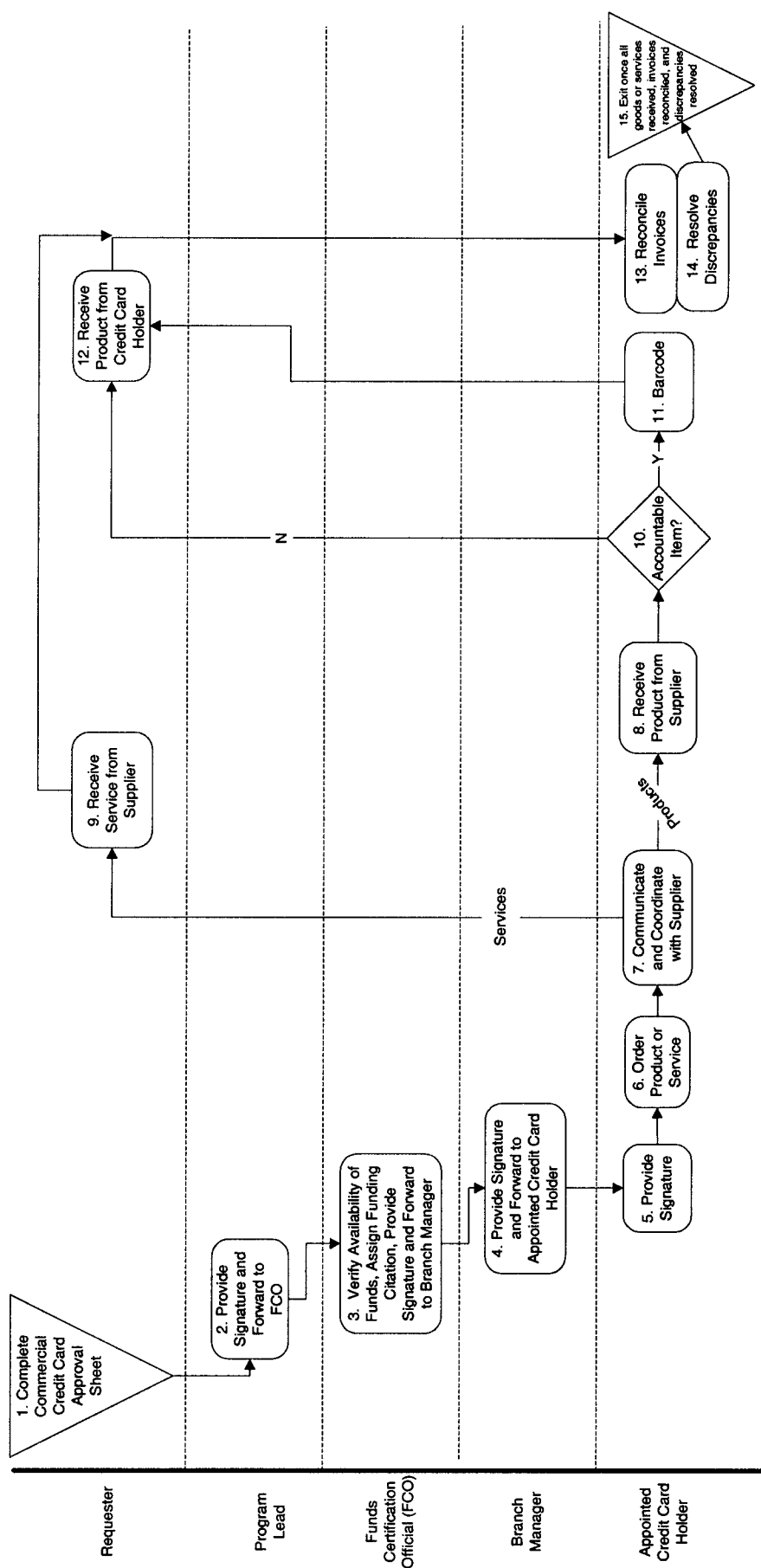


FIGURE 3. CREDIT CARD PURCHASES UP TO \$10K PROCESS DIAGRAM

TABLE 3. CREDIT CARD PURCHASES UP TO \$10K PROCESS DESCRIPTION

Step ID	Who	Description
1.	Requester	Complete Commercial Credit Card Approval Sheet This process begins when a member of the team completes a Commercial Credit Card Approval Sheet to purchase needed goods or services. The copy of the Commercial Credit Card Approval Sheet is included in the appendix of this handbook.
2.	Program Lead	Provide Signature and Forward to FCO The Program Lead reviews the completed Credit Card Approval Sheet and provides an approval signature. The Program Lead has the authority to reject the request and stop the process.
3.	Funds Certification Official (FCO)	Verify Availability of Funds, Assign Funding Citation, and Provide Signature The Funds Certification Official (FCO) verifies the availability of funds and that the proper accounting code is being used. The Credit Card Approval Sheet is signed to signify confirmation. The process may stop here if the funds are not available for the purchase.
4.	Branch Manager	Provide Signature and Forward to Appointed Credit Card Holder The Branch Manager reviews the completed Credit Card Approval Sheet and provides an approval signature. The Branch Manager has the authority to reject the request and stop the process.
5.	Appointed Credit Card Holder	Provide Signature The appointed Credit Card Holder reviews the completed and approved Credit Card Approval Sheet and signs to confirm receipt.
6.	Appointed Credit Card Holder	Order Product or Service The appointed Credit Card Holder contacts the supplier and orders the requested products or services. The cardholder inventories all products or a service ordered in the Card Holder Log Template and records all telephone orders in the Record of Telephone Credit Card Order Template. These templates are available in the FAA WJHTC Purchase Credit Card Handbook for Simplified Purchases (located in Appendix 1 of FAA Order CT4400.14A).
7.	Appointed Credit Card Holder	Communicate and Coordinate with Supplier The appointed Credit Card Holder is responsible for communicating with the supplier and coordinating deliveries. Product deliveries continue with Step 8. Services continue with Step 9.
8.	Appointed Credit Card Holder	Receive Product from Supplier The appointed Credit Card Holder accepts delivery of all products (materials, supplies, etc.) before handing-off to the Requester. The Credit Card Holder references all invoices/billing statements and Requester requirements when the delivery of products is accepted.
9.	Requester	Receive Service from Supplier Once the appointed Credit Card Holder has finished coordinating the services with the supplier, the Requester can begin using the services.
10.	Appointed Credit Card Holder	Accountable Item? The appointed Credit Card Holder must determine whether or not the product is an accountable item. An attachment to FAA Order CT4400.14A identifies accountable items that must be barcoded. For accountable items proceed with process Step 11. Otherwise proceed to Step 12.
11.	Appointed Credit Card Holder	Barcode The appointed Credit Card Holder is responsible for making arrangements to have accountable items barcoded before delivering those items to the Requester.
12.	Requester	Receive Product from Credit Card Holder During this step, the Credit Card Holder physically hands off the product to the Requester.

TABLE 3. CREDIT CARD PURCHASES UP TO \$10K PROCESS DESCRIPTION

Step ID	Who	Description
13.	Appointed Credit Card Holder	Reconcile Invoices Order CT4400.14A Subj. Commercial Credit Cards contains guidance on responsibilities related to reconciling invoices.
14.	Appointed Credit Card Holder	Resolve Discrepancies Any discrepancies with regard to cost, and/or product or service delivery are to be resolved by the appointed Credit Card Holder. The Requester does not communicate directly with the supplier to resolve such issues. A useful tool for resolving discrepancies is the FAA WJHTC Purchase Credit Card Handbook for Simplified Purchases Section: "How to Deal with Problems".
15.	Exit	This process is only exited when: All goods or services have been received, all invoices have been reconciled, and any discrepancies have been resolved.

4.2.2 Credit Card Purchases, Up To \$100K

Unlike the internal processes for credit card purchases under \$10K, the WJHTC Contracts Office must approve the goods, services, suppliers and/or the use of the selected vehicle for purchases exceeding \$10K. Figure 4 is a flow diagram of this process, and is followed by a detailed textual description of the process in Table 4.

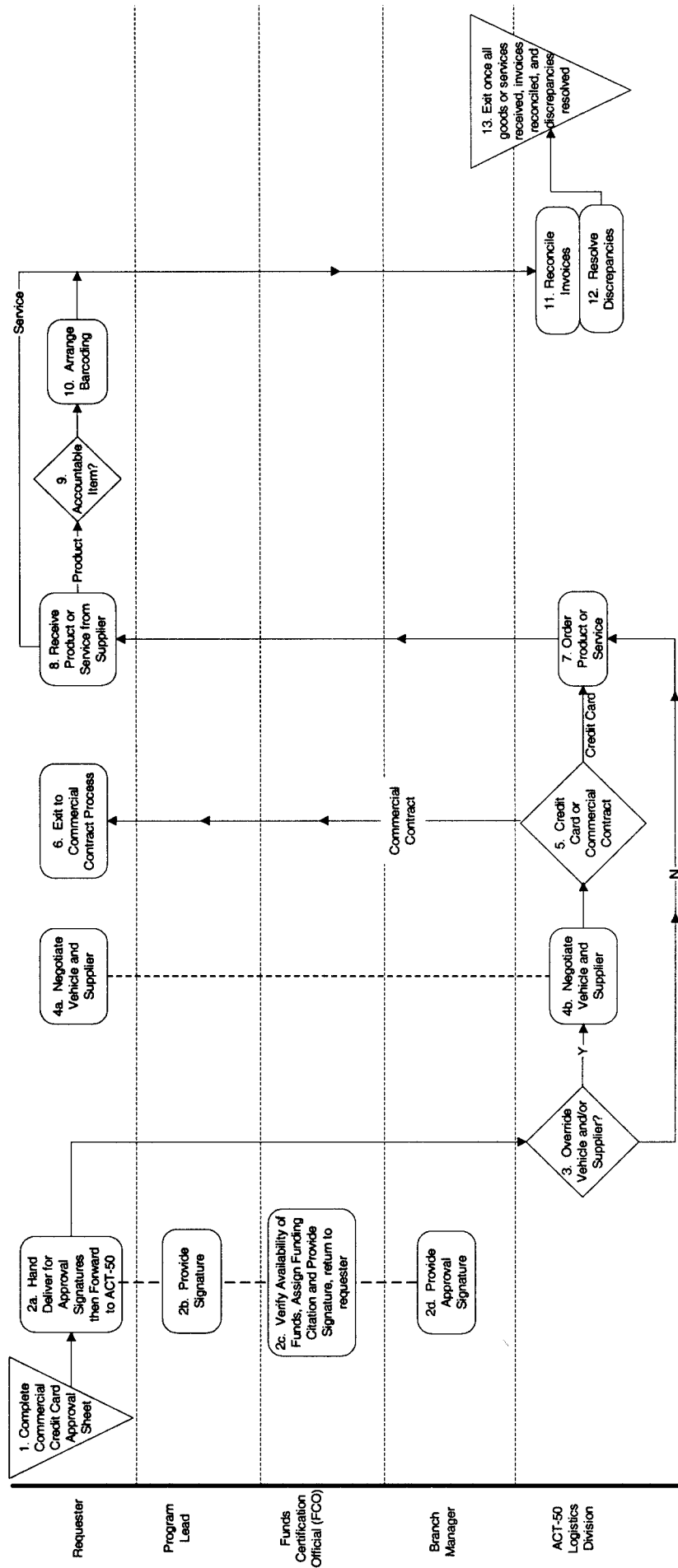


FIGURE 4. CREDIT CARD PURCHASES UP TO \$100K PROCESS DIAGRAM

TABLE 4. CREDIT CARD PURCHASES UP TO \$100K PROCESS DESCRIPTION

Step ID	Who	Description
1.	Requester	Complete Commercial Credit Card Approval Sheet This process begins when a member of the team completes a Commercial Credit Card Approval Sheet to purchase needed goods or services. Any technical requirements and specifications must be attached to the form before forwarding to the ACT-50 Logistics Division. A copy of the Commercial Credit Card Approval Sheet is included as Appendix A in this Contract Management Handbook. The FAA WJHTC Purchase Credit Card Handbook for Simplified Purchases identifies all purchases that require prior approval.
2a.	Requester	Hand Deliver for Approval Signatures then Forward to ACT-50 Logistics Division The Requester hand delivers the Commercial Credit Card Approval sheet to the Program Lead, the FCO and the Branch Manager for approval signatures and appropriate action. The process continues to Contracts if all criteria are properly addressed.
2b.	Program Lead	Provide Signature The Program Lead reviews the completed Credit Card Approval Sheet and provides approval signature. The Program Lead has the authority to reject the request and stop the process.
2c.	Funds Certification Official (FCO)	Verify Availability of Funds, Assign Funding Citation, Provide Signature and Return to Requester The Funds Certification Official (FCO) verifies the availability of funds and that the proper accounting code is being used. The Credit Card Approval Sheet is signed to signify confirmation. The process may stop here if the funds are not available for the purchase.
2d.	Branch Manager	Provide Approval Signature The Branch Manager reviews the completed Credit Card Approval Sheet and provides an approval signature. The Branch Manager has the authority to reject the request and stop the process.
3.	ACT-50 Logistics Division	Decision Point: Override Vehicle and/or Supplier? Although the Requester submits the request anticipating that it will remain a credit card purchase, ACT-50 has the authority to determine whether or not a commercial contract or other vehicle is more appropriate. During this step, ACT-50 can also override the Requester's suggested supplier and require the use of another. Go to Steps 4a and 4b if the ACT-50 requires the use of another supplier and/or vehicle. Otherwise, skip to Step 7.
4a. 4b.	Requester ACT-50 Logistics Division	Negotiate Vehicle and Supplier The Requester may opt to negotiate with the ACT-50 Logistics Division to justify the original choice of vehicle and/or supplier.
5.	ACT-50 Logistics Division	Decision Point: Credit Card or Commercial Contract? A commercial contract must exit this credit card process at Step 6. Credit card purchases continue through this process at Step 7.
6.	Requester	Exit to Commercial Contract Process If ACT-50 ultimately decides that a commercial contract is a more appropriate vehicle, the Requester must reference the appropriate commercial contracts process. See "New Commercial Contracts" or "Delivery Orders on Existing Commercial Contracts" in this handbook.
7.	ACT-50 Logistics Division	Order Product or Service ACT-50 contacts the supplier and places the order for goods or services. The Division references any additional requirements or specifications that were provided by the Requester.

TABLE 4. CREDIT CARD PURCHASES UP TO \$100K PROCESS DESCRIPTION

Step ID	Who	Description
8.	Requester	Receive Product or Service From Supplier Once ACT-50 finishes coordinating with the supplier, the Requester will: <ul style="list-style-type: none"> • Be cleared to begin using the services, and proceed to Step 11, or • Accept delivery of all products (materials, equipment, etc.) and proceed to Step 9. The Requester references any invoices/billing statement, requirements and specifications when accepting the products.
9.	Requester	Decision Point: Accountable item? The Requester must arrange to have accountable items barcoded. Accountable items continue through the process with Step 10. Otherwise, proceed to Step 11. An attachment to Order CT4400.14A "Subj. Commercial Credit Cards" identifies accountable items that must be barcoded.
10.	Requester	Arrange Barcoding The Requester arranges to have all accountable items barcoded and entered in the Acquire Database. Once products are properly barcoded and entered into the system, they are placed in service.
11.	ACT-50 Logistics Division	Reconcile Invoices The invoices are audited for accuracy and receipt of goods or services. ACT-50 approves payment to the supplier. Order CT4400.14A "Subj. Commercial Credit Cards" offers guidance on responsibilities related to reconciling invoices.
12.	ACT-50 Logistics Division	Resolve Discrepancies Any discrepancies with regard to cost, and product or service delivery are to be resolved by ACT-50. The Requester does not communicate directly with the supplier to resolve such issues. The FAA WJHTC "Purchase Credit Card Handbook for Simplified Purchases" includes a guidance section titled "How to Deal with Problems."
13.	Exit	This process is only exited when: <ul style="list-style-type: none"> • All goods or services have been received • All invoices have been reconciled • All discrepancies have been resolved The purchase is also closed in the Acquire Database at this time.

4.2.3 Delivery Orders on Existing Commercial Contracts

When a needed good or service falls within the scope of an existing contract, it may be beneficial to draft a delivery order on the existing contract. This may help expedite the process and minimize costs by "bundling" the goods or services with an existing contract vehicle. Figures 5A and 5B are a flow diagram of this process, and are followed by a detailed textual description of the process in Table 5.

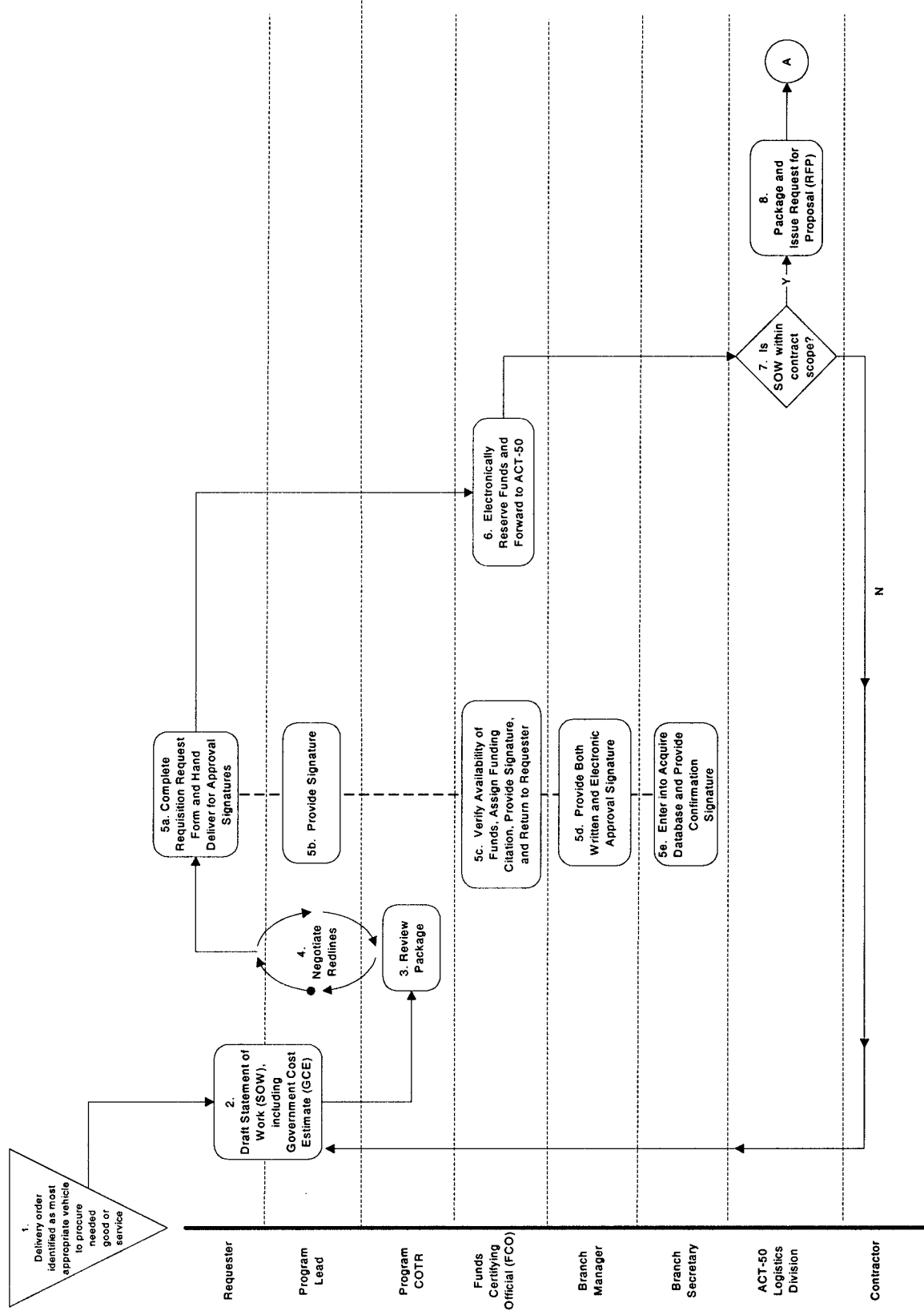


FIGURE 5A. DELIVERY ORDERS ON EXISTING COMMERCIAL CONTRACTS PROCESS DIAGRAM

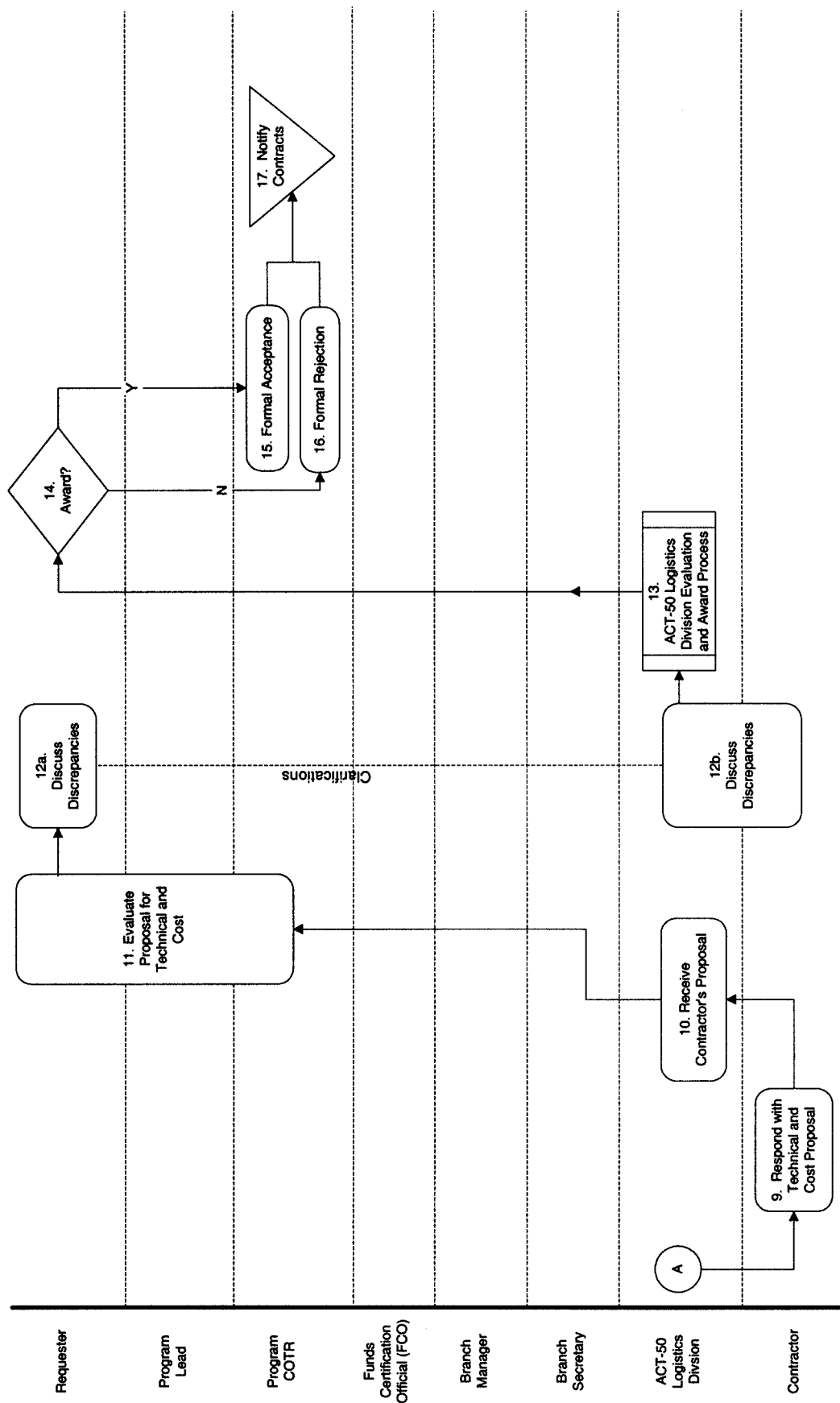


FIGURE 5B. DELIVERY ORDERS ON EXISTING COMMERCIAL CONTRACTS PROCESS DIAGRAM
(CONTINUED)

**TABLE 5. DELIVERY ORDERS ON EXISTING
COMMERCIAL CONTRACTS PROCESS DESCRIPTION**

Step ID	Who	Description
1.		Delivery order identified as most appropriate vehicle to procure needed goods or services
2.	Requester (and other team members as needed) Program Lead	Draft Statement of Work (SOW), including Government Cost Estimate (GCE) The Requester and other members of the team draft a SOW and GCE to procure a product or service under an existing contract. Content templates and other contract documents are used to complete this activity. Copies of the SOW and IGCE templates are available in Appendix C of this Contract Management Handbook.
3.	Project COTR	Review Package The COTR reviews the SOW and GCE package to verify that the requested product or service falls within the scope of the contract. The COTR can be held liable for approving requests that do not fall within the contract's scope.
4.	Requester Program Lead Project COTR	Negotiate Redlines The COTR's review may result in a set of questions and/or comments. The changes are negotiated and incorporated into the package.
5a.	Requester	Complete Requisition Request Form and Hand Deliver for Approval Signatures Once the issues regarding the content of the SOW and GCE package have been resolved, the Requester completes a Requisition Request Form in preparation of package delivery to the ACT-50 Logistics Division. The document is hand delivered through the chain of command for appropriate approval signatures and/or actions. A copy of the Requisition Request Form template is available in the appendix of this Contract Management Handbook.
5b.	Program Lead	Provide Signature The Program Lead reviews the Requisition Request Form for completeness and accuracy, and provides an approval signature.
5c.	Funds Certification Official (FCO)	Verify Availability of Funds, Assign Funding Citation, and Provide Signature, and Return to Requester The Funds Certification Official (FCO) verifies the availability of funds and that the proper accounting code is being used. The Credit Card Approval Sheet is signed to signify confirmation. The process may stop here if the funds are not available for the purchase.
5d.	Branch Manager	Provides Both Written and Electronic Approval Signatures The Branch Manager reviews the request and provides an initial approval signature. The Branch Manager has the authority to reject the request and stop the process. If the request is approved, it is forwarded to the Branch Secretary for entry into the Acquire database and returned to the Branch Manager for an electronic approval signature. The package, complete with approval signatures, is then returned to the Requester and forwarded to FCO.
5e.	Branch Secretary	Enter into Acquire Database and Provide Confirmation Signature The Branch Secretary enters the request into the Acquire database and signs the approval sheet to confirm that this step has been completed. The request is returned to the Branch Manager for an electronic approval signature.
6.	FCO	Electronically Reserve Funds and Forward to Contracts The FCO electronically reserves the funding requested and forwards the request to ACT-50.

**TABLE 5. DELIVERY ORDERS ON EXISTING
COMMERCIAL CONTRACTS PROCESS DESCRIPTION**

Step ID	Who	Description
7.	ACT-50 Logistics Division	Decision Point: Is SOW within contract scope? ACT-50 Logistics Division reviews the package to ensure it falls within the scope of the existing contract. If procurement is within the scope, the process continues with Step 8. If not, the package is returned to the Requester and the process goes back to Step 1 for a rewrite.
8.	ACT-50 Logistics Division	Package and Issue Request for Proposal (RFP) The contract office uses the information in the SOW and GCE package to issue an RFP and open the project to bids from outside contractors.
9.	Contractor	Respond with Technical and Cost Proposal Contractor responses are submitted to the ACT-50 Logistics Division.
10.	ACT-50 Logistics Division	Receive Contractor's Proposal and Forward to COTR ACT-50 receives contractor proposals and forwards them to the program COTR for technical and cost evaluation.
11.	Requester Program Lead Program COTR	Evaluate Proposal for Technical and Cost The original team who drafted the SOW and GCE reviews all contractor proposals for technical content and cost.
12a. 12b.	Requester ACT-50 Logistics Division Contractor	Discuss Discrepancies The Requester is not authorized to communicate directly with the contractor during contract negotiations. Any questions or comments must be channeled to the contractor via ACT-50.
13.	ACT-50 Logistics Division	ACT-50 Logistics Division Evaluation and Award Process ACT-50's Evaluation and Award Process, available through ACT-50, provides more details regarding the Logistics Division role in the evaluation.
14.	Requester	Award? If the proposal is accepted, the process continues with Step 15. If the proposal is rejected the process continues with Step 16.
15.	Project COTR	Formal Acceptance Formal acceptance is non-verbal. This includes memos, email, etc.
16.	Project COTR	Formal Rejection Formal rejection is non-verbal. This includes memos, email, etc.
17.	Project COTR	Notify ACT-50 Logistics Office The process is exited once the COTR forwards the award decision to ACT-50.

The SOW, GCE, and any other artifacts (e.g. communications with the contractor) should be added to the contracts folder. The project COTR creates the contracts folder when a new contract is being structured. The folder is maintained throughout the life of the contract.

4.2.4 New Commercial Contracts

A new commercial contract is established when existing commercial contract vehicles are not suitable for obtaining goods and services that are required for a project. A commercial contract

represents an agreement between the requesting AAR-500 program and a commercial supplier that specifies products or services to be delivered by the commercial supplier. New commercial contracts are created to meet current project needs and to serve as vehicles to potentially address emerging needs. Figures 6A and 6B are a flow diagram of the process for establishing a new commercial contract. The diagram is followed by a detailed textual description of the process in Table 6.

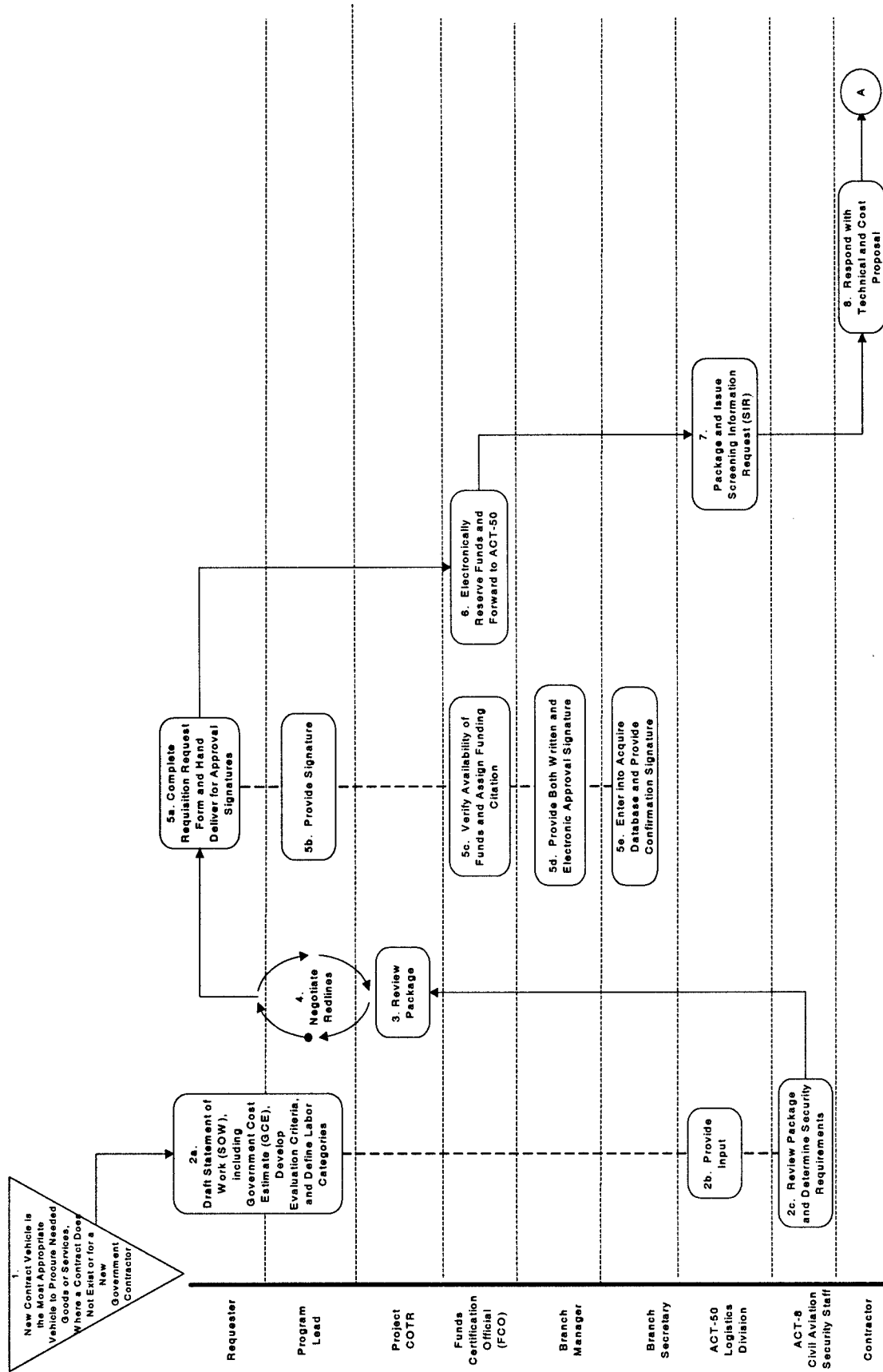


FIGURE 6A. NEW COMMERCIAL CONTRACTS PROCESS DIAGRAM

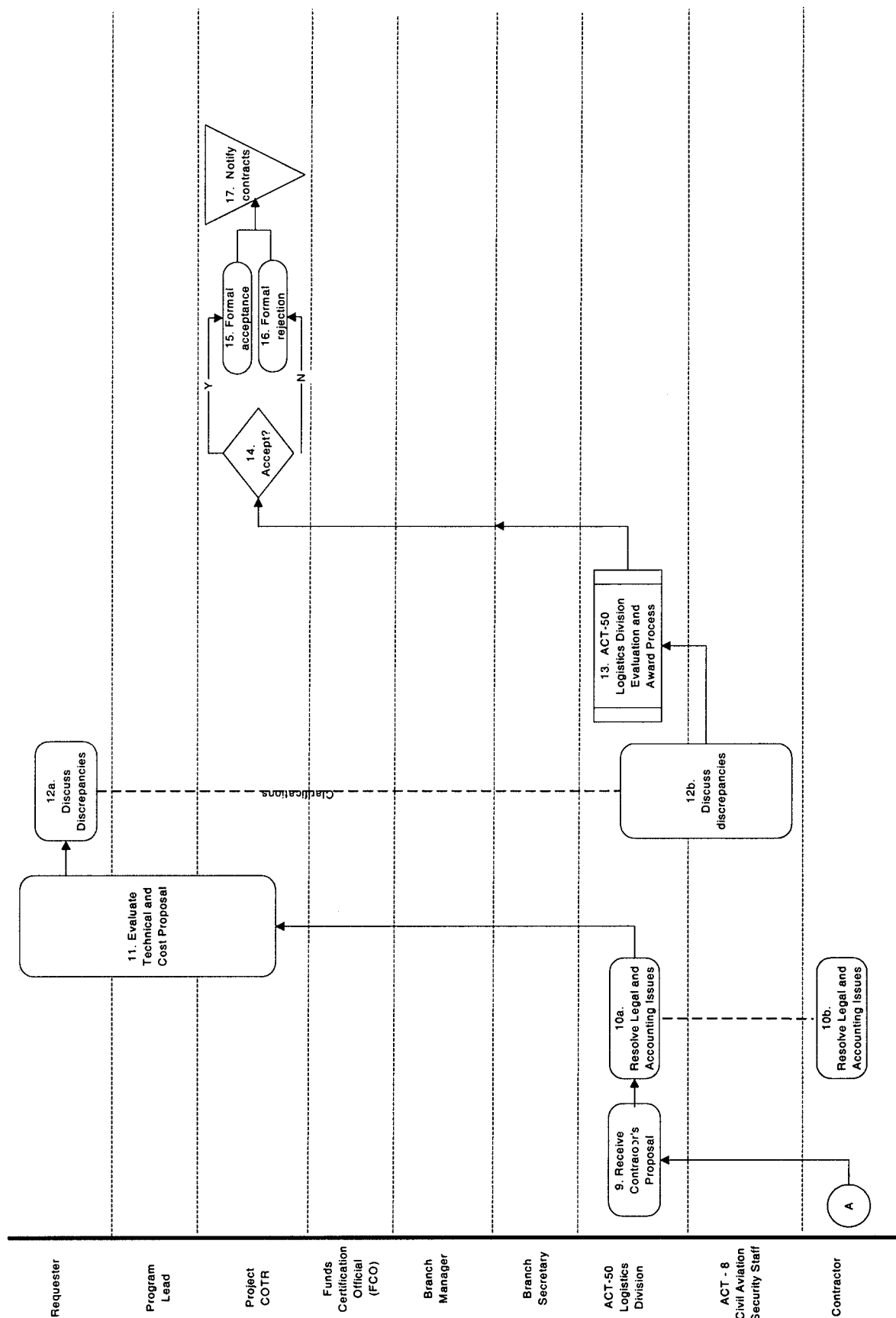


FIGURE 6B. NEW COMMERCIAL CONTRACTS PROCESS DIAGRAM
(CONTINUED)

TABLE 6. NEW COMMERCIAL CONTRACTS PROCESS DESCRIPTION

Step ID	Who	Description
1.		New Contract Vehicle is the Most Appropriate Vehicle to Procure Needed Goods or Service, Where a Contract Does Not Exist or for a New Government Contractor
2a.	Requester (and other team members as needed) Program Lead	Draft Statement of Work (SOW), Government Cost Estimate (GCE), Develop Evaluation Criteria, Define the Labor Categories and Forward to COTR. The Requester, the Program Lead, and other appropriate members of the team begin a draft of the SOW, GCE, evaluation criteria and labor categories. For new contract vehicles, this is usually done with guidance and coordination from the ACT-50 Logistics Division Office. ACT-8 reviews the package and determines the sensitivity of the work. Any special contractor security clearance requirements are outlined in the package. Once awarded, the contractor has 30 days to submit credentials. The tools utilized to perform this function are the SOW and GCE templates.
2b.	ACT-50 Logistics Division	
2c.	ACT-8	
3.	Project COTR	Review Package If the COTR was not a member of the original team that drafted the package, he/she reviews the finished package for completeness.
4.	Program Lead Project COTR	Negotiate Redlines The COTR's review may result in a set of questions and comments. The team that drafted the request must negotiate the changes and incorporate the results into the package before delivery to ACT-50 Logistics Office.
5a.	Requester	Complete Requisition Request Form, and Hand Deliver for Approval Signatures, and Forward to FCO Once the Requester and the Project COTR have resolved any issues regarding the content of the solicitation, the Requester completes a Requisition Request Form and hand delivers to the appropriate designees for approval signatures. A copy of the Requisition Request Form template is available in Appendix B of this Contract Management Handbook.
5b.	Program Lead	Provide Signature The Program Lead reviews the Requisition Request Form for completeness and accuracy, and provides an approval signature.
5c.	Funds Certification Official (FCO)	Verify Availability of Funds, Assign Funding Citation, and Provide Signature The Funds Certification Official (FCO) verifies the availability of funds and that the proper accounting code is being used. The Credit Card Approval Sheet is signed to signify confirmation. The process may stop here if the funds are not available for the purchase.
5d.	Branch Manager	Provides Both Written and Electronic Approval Signatures The Branch Manager reviews the request and provides an initial approval signature. The Branch Manager has the authority to reject the request and stop the process. If the request is approved, it is forwarded to the Branch Secretary for entry into the Acquire database. After entry, the request is returned to the Branch Manager to provide an electronic approval signature. The request is then returned to the Requester and forwarded to the FCO.
5e.	Branch Secretary	Enter into Acquire Database and Provide Confirmation Signature The Branch Secretary enters the request into the Acquire database and signs the approval sheet to confirm that this step has been completed. The request is returned to the Branch Manager for an electronic approval signature.
6.	Funds Certification Official (FCO)	Electronically Reserve Funds and Forward to ACT-50 The FCO electronically reserves the funding requested and forwards the request to ACT-50.

TABLE 6. NEW COMMERCIAL CONTRACTS PROCESS DESCRIPTION

Step ID	Who	Description
7.	ACT-50 Logistics Division	Package and Issue Screening Information Request (SIR) ACT-50 uses the information in the SOW and GCE package to issue a SIR and open the project to bids from outside contractors.
8.	Contractor	Respond with Technical and Cost Proposal Contractor responses to the SIR are submitted to ACT-50, and must comply with the criteria and deadline outlined in the SOW.
9.	ACT-50 Logistics Division	Receive Contractor's Proposal ACT-50 reviews all submitted proposals for legal and accounting issues. This must be completed before the proposal can be forwarded to the Requester for technical and cost evaluation.
10a. 10b.	ACT-50 Logistics Division Contractor	Resolve Legal and Accounting Issues? ACT-50 collaborates with the Contractor to resolve accounting and/or legal issues, if any then forwards the proposal to the appropriate program COTR.
11.	Requester Program Lead Project COTR	Evaluate Technical and Cost Proposal The original team who drafted the SOW and GCE reviews all contractor proposals for technical content and cost estimates.
12a. 12b.	Requester ACT-50 Logistics Division Contractor	Resolve Discrepancies Any issues regarding technical and cost must be clarified and/or returned for clarifications. Since the requesting AAR-500 program is not authorized to communicate directly with the contractor, comments and changes must be coordinated through ACT-50. As necessary, the contractor must make all necessary changes and resubmit the updated proposal through ACT-50 for further review.
13.	ACT-50 Logistics Division	ACT-50 Logistics Division Evaluation and Award Process ACT-50's Evaluation and Award process provides more details regarding the Logistics Division's role in the evaluation.
14.	Project COTR	Accept? If the proposal is accepted, proceed to Step 15. If the proposal is rejected, proceed to Step 16.
15.	Project COTR	Formal Acceptance Formal acceptance is non-verbal. Notification can be given in the form of memos, emails, etc.
16.	Project COTR	Formal Rejection Formal rejection is non-verbal. Notification can be given in the form of memos, emails, etc.
17.	Project COTR	Notify Contracts The process is exited when the COTR forwards the award decision to ACT-50.

Contractors have the right to dispute proposal rejections. Initial disputes should be directed to the Contracting Officer for resolution. Issues that cannot be resolved may be elevated to the FAA Office of Dispute Resolution for Acquisition (ODRA). The ODRA is established as an organization that is independent of agency organizations responsible for procurement actions. The ODRA director manages the dispute resolution process, promotes Alternative Dispute Resolution (ADR), conducts dispute resolution proceedings and recommends action to the Administrator on matters concerning protests or contract disputes. Although the dispute process

is external to AAR-500, appropriate team members may be called upon to provide input to the process when proposals are rejected based on the team's technical and cost evaluation.

All artifacts of this process must be maintained in a contracts folder until the contract is closed. Artifacts include, but are not limited to:

- Point of Contact (POC)
- Statement of Work (SOW)
- Action items
- Award notice
- Government Cost Estimate (GCE)
- Contractor document review notes (e.g. Plans)
- Coordination and status meeting minutes
- Records of disputes or discrepancies

4.2.5 Interagency Agreements

An Interagency Agreement allows the FAA to receive services, supplies, or facilities from another federal agency or that agency's contractor. Interagency agreements may be entered into without public notice whenever it is in the best interest of the FAA. According to AMS policy, a written statement describing the technical, program, or business reasons justifying the agreement should support each agreement.

Establishing an Interagency Agreement is much like establishing a new commercial contract. Figure 7 is a flow diagram of the process for establishing interagency agreement. The diagram is followed by a detailed textual description of the process in Table 5.

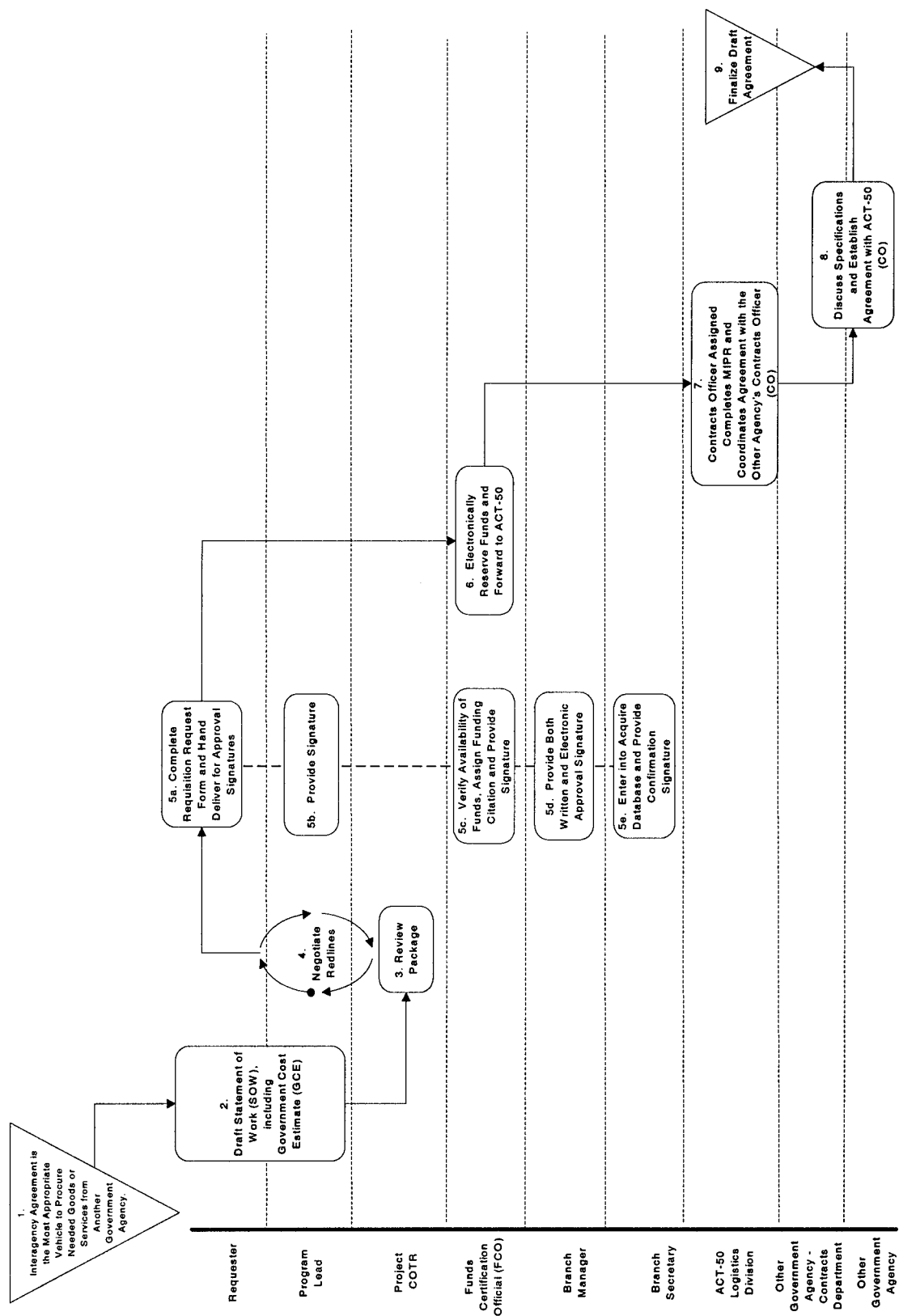


FIGURE 7. INTERAGENCY AGREEMENTS PROCESS DIAGRAM

TABLE 7. INTERAGENCY AGREEMENTS PROCESS DESCRIPTION

Step ID	Who	Description
1.		Interagency Agreement is the Most Appropriate Vehicle to Procure Needed Goods or Services from Another Government Agency
2.	Requester (and other team members as needed) Program Lead	Draft Statement of Work (SOW) including Government Cost Estimate (GCE), The Requester, the Program Lead, and other appropriate members of the team draft a SOW and GCE. A justification to engage another government agency, rather than the private sector, is also completed at this time. Entry into this process assumes the Requester has already made a technical contact in the other agency and there is a verbal agreement in place. It assumes the desire already exists, and the remainder of the process should cover documentation formalities and a final review of technical requirements. Content templates and other contract documents (available from ACT-50) are used to complete this activity.
3.	Project COTR	Review Package If the COTR was not a member of the original team that drafted the package, he/she reviews the finished package for completeness.
4.	Program Lead Project COTR	Negotiate Redlines The COTR's review may result in a set of questions and comments. The team who drafted the request must negotiate the changes and incorporate the results into the package before delivery to the Contracts Office.
5a.	Requester	Complete Requisition Request Form and Hand Deliver for Approval Signatures Once the Requester and the COTR have resolved any issues regarding the content of the solicitation (along with the CO), the Requester completes a Requisition Request Form. Once all signatures have been provided, the process becomes external and negotiations are handled between the ACT-51 Contracts Office and the contract department of the other government agency.
5b.	Program Lead	Provide Signature The Program Lead reviews the Requisition Request Form for completeness and accuracy, and provides an approval signature.
5c.	Funds Certification Official (FCO)	Verify Availability of Funds, Assign Funding Citation, and Provide Signature The Funds Certification Official (FCO) verifies the availability of funds and that the proper accounting code is being used. The Credit Card Approval Sheet is signed to signify confirmation. The process may stop here if the funds are not available for the purchase.
5d.	Branch Manager	Provides Both Written and Electronic Approval Signatures The Branch Manager reviews the request and provides an initial approval signature. The Branch Manager has the authority to reject the request and stop the process. If the request is approved, it is forwarded to the Branch Secretary for entry into the Acquire database. After entry, the request is returned to the Branch Manager to provide an electronic approval signature. The request is then returned to the Requester and forwarded to the FCO.
5e.	Branch Secretary	Enter into Acquire Database and Provide Confirmation Signature The Branch Secretary enters the request into the Acquire database and signs the approval sheet to confirm that this task has been completed. The request is returned to the Branch Manager for an electronic approval signature.
6.	Funds Certification Official (FCO)	Electronically Reserve Funds and Forward to ACT-50 The FCO electronically reserves the funding requested and forwards the request to ACT-50.

TABLE 7. INTERAGENCY AGREEMENTS PROCESS DESCRIPTION

Step ID	Who	Description
7.	ACT-50 Logistics Division	Assigned Contracts Officer Completes Appropriate Forms and Coordinates with Other Agency's Contracts Officer The Contracts Office completes any appropriate forms (e.g. the Military Procurement/Purchase Request (MIPR) for agreements with the military) to initiate communications with the other agency.
8.	Other Government Agency – Contracts Department	Discuss Specifications and Establish Agreement The remainder of the process involves coordination between the contracts offices of both agencies. Legal, accounting, and formal documentation issues are resolved at this level.
9.	ACT-50 Logistics Division Other Government Agency – Contracts Department	Finalize Draft Agreement ACT-50 and the Contracts Department from the Other Government Agency coordinates to finalize the agreement.

Artifacts of the Interagency Agreement process are maintained in a folder much like the contracts folder described before Section 4.2.4.

4.2.6 International Agreements

An International Agreement allows the FAA to enter into cooperative efforts with foreign entities. Agreements typically originate at the technical contact level as a result of international conferences, leads provided by technical publications and visitors from other countries. There are two major types of International Agreements: Memorandum of Cooperation (MOC), described in Section 4.2.6.1 and Memorandum of Understanding (MOU), described in Section 4.2.6.2.

4.2.6.1. Memorandum of Cooperation (MOC)

An MOC is a legally binding international executive agreement, and is recognized as a treaty. This type of agreement may or may not specify an exchange of funds between the FAA and the international party. If there is an exchange of funds, the FCO must be included in the coordination of this MOC. The FCO must establish reimbursable agreement project and coordinate details with the WJHTC Accounting Branch. An MOC represents an agreement where both parties agree to work cooperatively and share lessons learned, best practices, etc. A reimbursable MOC allows the FAA to provide services to another country and receive reimbursements for any costs. Additional steps must be taken to establish a Reimbursable Agreement appropriations account from which project expenses are paid. This begins with a reimbursable agreement that the FCO must coordinate with the WJHTC Accounting Branch.

An MOC is structured much like a commercial contract. There is an original agreement that establishes the relationship between the FAA and the international entity. The agreement is the umbrella under which all tasks will eventually fall. Annexes are added under the original

agreement (much like commercial contract delivery orders) to establish specific work areas. As a rule-of-thumb, annexes should be as inclusive as possible (e.g. cover a broader area of aviation security R&D as opposed to simply Human Factors in aviation security). Finally, appendices to the agreement provide the lowest level of detail, and are drafted in terms of specific technical goals for individual tasks. Figure 8 provides an overview of the relationship between an International Agreement (Memorandum of Cooperation), annexes, and appendices.

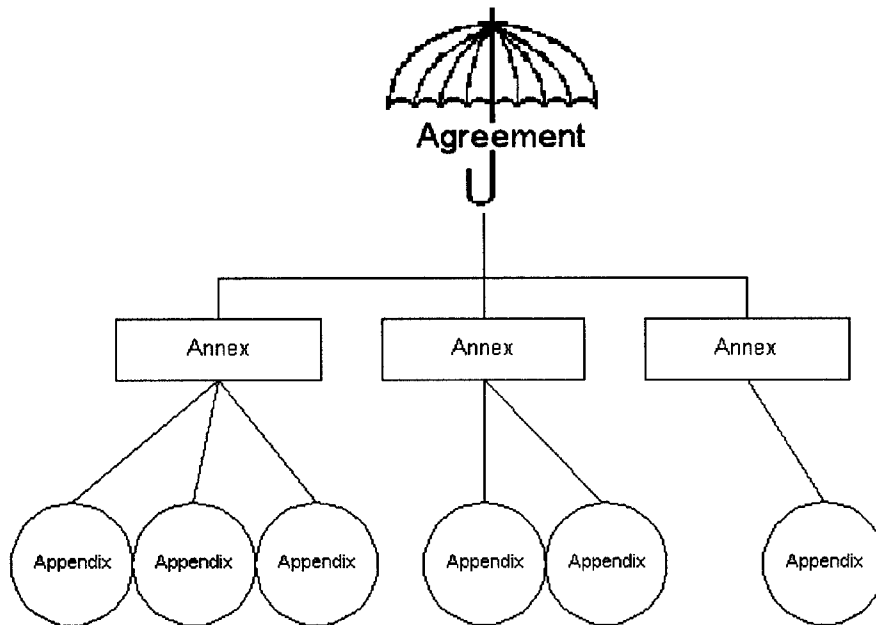


FIGURE 8: INTERNATIONAL AGREEMENT
(MEMORANDUM OF COOPERATION) ELEMENT RELATIONSHIPS

The process for establishing an International Agreement is fairly simple in terms of the requesting AAR-500 program. It simply requires the requesting program to recognize an opportunity, determine the interest of the international party and initiate the process, if an interest is present. The requesting AAR-500 program must identify the technical needs and requirements of the agreement. In cases where the international party agrees with the mutual benefit of the partnership, the most difficult aspect of establishing the agreement is the negotiation of the legal and financial terms between the countries. This could take months to years and is primarily coordinated and completed by AIA.

Figure 9 is a flow diagram of the MOC process in terms of the requesting FAA program and is followed by a textual description of each process activity in Table 8. The additional step required by a reimbursable MOC is shaded. The remainder of this section provides an overview of the process once it has left the scope of the requesting FAA program's influence and tips that can help expedite the process.

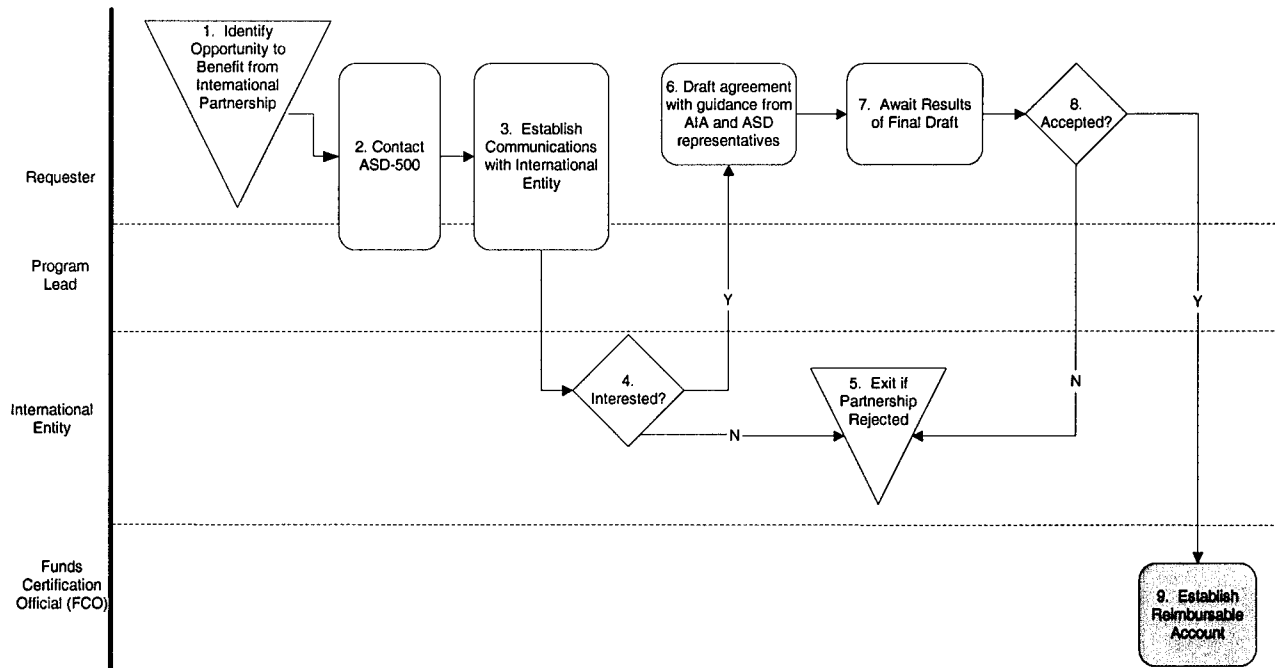


FIGURE 9. INTERNATIONAL AGREEMENTS
(MEMORANDUM OF COOPERATION) PROCESS DIAGRAM

TABLE 8. INTERNATIONAL AGREEMENTS
(MEMORANDUM OF COOPERATION) PROCESS DESCRIPTION

Step ID	Who	Description
1.	Requester	Identify Opportunity to Benefit from International Partnership This process is entered when a member of the team recognizes an opportunity to benefit from partnership activities with an International Entity. This entity can be an airline, airport, laboratory, etc. Part of identifying the opportunity entails evaluating possibilities in terms of technical and financial benefits. A Concept Evaluation Sheet should be completed to support the investment analysis decision.
2.	Requester and/or Program Lead	Contact ASD-500 The International Research and Acquisitions Office, ASD-500, must be contacted to initiate the agreement process. It is of key importance to do this early in the process to expedite it, even before serious and pointed communications have been established with the International Entity.
3.	Requester and/or Program Lead	Establish Communications with International Entity The Requester and/or the Program Lead should make all possible efforts to establish communications with the International Entity to promote interest in an agreement. Discussions should focus on mutual benefits and scope of the potential agreement. This activity should continue throughout the process to sustain and promote interest in the agreement. This helps expedite the process from start to finish.

**TABLE 8. INTERNATIONAL AGREEMENTS
(MEMORANDUM OF COOPERATION) PROCESS DESCRIPTION**

Step ID	Who	Description
4.	International Entity	Interested? The International Entity may not have an interest in entering an agreement with the FAA. In that case, the process would continue with process Step 5. If the party wishes to further pursue the opportunity, the Requester should skip to Step 6 and begin drafting the agreement.
5.		Exit if Partnership Rejected The process is exited if the International Entity has no interest in pursuing a partnership with the FAA.
6.	Requester	Draft Agreement with Guidance from AIA and ASD Representatives Once the International Entity has expressed an interest in a cooperative effort with the FAA, the Requester can begin drafting the basic agreement. The Requester should concentrate on identifying the overall scope of the agreement, the mutual benefits and suggested ways to manage any associated costs. Additional accounting and legal aspects will be incorporated once AIA begins work on the agreement.
7.	Requester	Await Results of Final Draft AIA executes a standard operating procedure for International Agreements while the Requester awaits a decision. The following is an overview of that procedure: <ol style="list-style-type: none"> 1. A search is conducted to see if an agreement is already in place to accommodate the request. 2. If an agreement is already in place, a second search is conducted to see if there is an applicable annex on that agreement to accommodate the request. 3. Finally, if there is an annex in place, the process may only require the addition of an appendix. 4. In cases when a new agreement is required, a cable is sent to the state department to indicate the FAA's desire. 5. AIA also sends a cable to the International Entity. If it is a foreign government, the cable is sent directly. In other instances, a cable is sent to the parent organization (e.g. a foreign ministry) and AIA awaits a response. This is where persistent communications between the requester and the international party can expedite the process. Such communication encourages the international party to contact their government/sponsor and encourage a speedy response. 6. If a favorable response is received, AIA uses a standard template to package the agreement (with draft annex) and sends the draft to the International Entity. 7. The negotiation of redlines between the countries can take a great deal of time. It is not unusual for a single iteration of the review cycle to take 4 months or more. There may be an indefinite number of iterations. 8. The last step is for AIA to essentially "sell" the final agreement to the state department. The state department is ultimately responsible for all-international agreements and activities.
8.		Accepted? Once the AIA process is complete, the International Entity may or may not accept the final agreement. If the agreement is rejected, exit the process (Step 5). If the agreement is accepted, and requires financial reimbursements by the international party, proceed with process Step 9.

**TABLE 8. INTERNATIONAL AGREEMENTS
(MEMORANDUM OF COOPERATION) PROCESS DESCRIPTION**

Step ID	Who	Description
9.	FCO	Establish Reimbursable Account It is necessary for the FCO to establish a reimbursable agreement in the event the foreign party will be reimbursing the FAA for project activities. The FCO must coordinate establishment of this account with the WJHTC Accounting Branch. The money is reimbursed according to the established terms of the agreement.

Although much of the process for establishing International Agreements is completed by external organizations, there are several helpful tips that a Requester can follow to expedite the process.

- Although original requests are forwarded to ASD-500, it is helpful to contact the appropriate AIA Division with a “heads up” regarding the incoming request. Note: AIA is divided geographically. Each Division (e.g., 100, 200, 300) represents a different international region. The main office can direct all requests and can be reached at (201)-267-3213.
- Since international governments are not structured like that of the U.S., it may take some time to determine the actual entity that the desired agreement would fall under. Requesters should take extra time to identify the person, title, and organization.
- Time should be taken to identify existing and potential international sponsors as opposed to simply naming the end researcher. This can expedite the agreement by creating a pool of potential financiers and garner more support for the endeavor.
- A Requester often feels that his/her job is done once the request has been submitted. Continued communications with the international party are key in expediting the process.

There are two major factors that often delay the process but usually cannot be avoided. They are:

- International Entities are often opposed to the terms of the agreement that must be included by U.S. law, such as the liability clauses. Creative ways to avoid this are to (1) find ways that the costs can be shared and (2) suggest that private entities purchase liability insurance.
- An increasing number of international organizations are being privatized or cut off from their respective governments.

4.2.6.2. Memorandum of Understanding (MOU)

Unlike the MOC, an MOU is not legally binding and does not follow the same protocol. MOUs are appropriate for agreements that do not have well defined requirements or require an immediate commitment. MOUs cannot specify deliverables and/or an exchange of funds. Although an MOU is not legally binding, FAA programs that wish to establish an MOU should contact the appropriate AIA organization for guidance in drafting any documentation.

4.2.7 Cooperative Research and Development Agreements (CRDAs)

Department of Transportation (DOT) FAA Order 9550.6A, "Technology Transfer Program," establishes the CRDA program and provides the policy, roles and responsibilities, award categories and procedures, etc. To help FAA technical personnel to prepare CRDAs, the Office of Research and Technology Applications, ACT-51 (formerly AAR-201) completed the CRDA Handbook and its associated CRDA Generator software program. The CRDA Handbook, designed for use by FAA technical, scientific, and engineering personnel, is the basic reference book for all FAA personnel who participate in cooperative R&D activities. It provides an overview of technology transfer, defines and describes the CRDA vehicle, and addresses such topics as how CRDAs are developed, the CRDA process, and how to write a CRDA. The Handbook also provides a complete sample CRDA for a typical industry-FAA cooperative research project.

ACT-50 should be contacted for more information about the CRDA Handbook, CRDA Generator, necessary forms, and any other details.

4.2.8 Grants

A grant is a legal instrument that permits an executive agency of the federal government to transfer money, property, services, or anything of value to a grantee to carry out a public purpose of support or stimulation. DOT FAA Order 9550.7A, "Research Grants Program," establishes several grant programs, including the Aviation Security Research Grants Program. Grants under the Aviation Security Research Grants Program are to be awarded for the conduct of research, development, and implementation of technologies and procedures to counteract terrorist acts against civil aviation. One of the purposes for establishing the Aviation Research Grants Program was to create a future aviation research talent base for the FAA and the aviation community. All colleges, universities, and legally incorporated nonprofit research institutions qualify for research grants and cooperative agreements. Individuals are ineligible. Private "for-profit" businesses are generally ineligible, although research grants can be awarded to organizations proposing research in aviation security technologies.

Figure 10 is a flow diagram of the process used to evaluate, establish, and monitor grants. More details and inquiries regarding the grant subject matter should be directed to the Office of Research and Technology. All required forms are available from ACT-51 at the FAA Technical Center. Each process activity is described in Table 9.

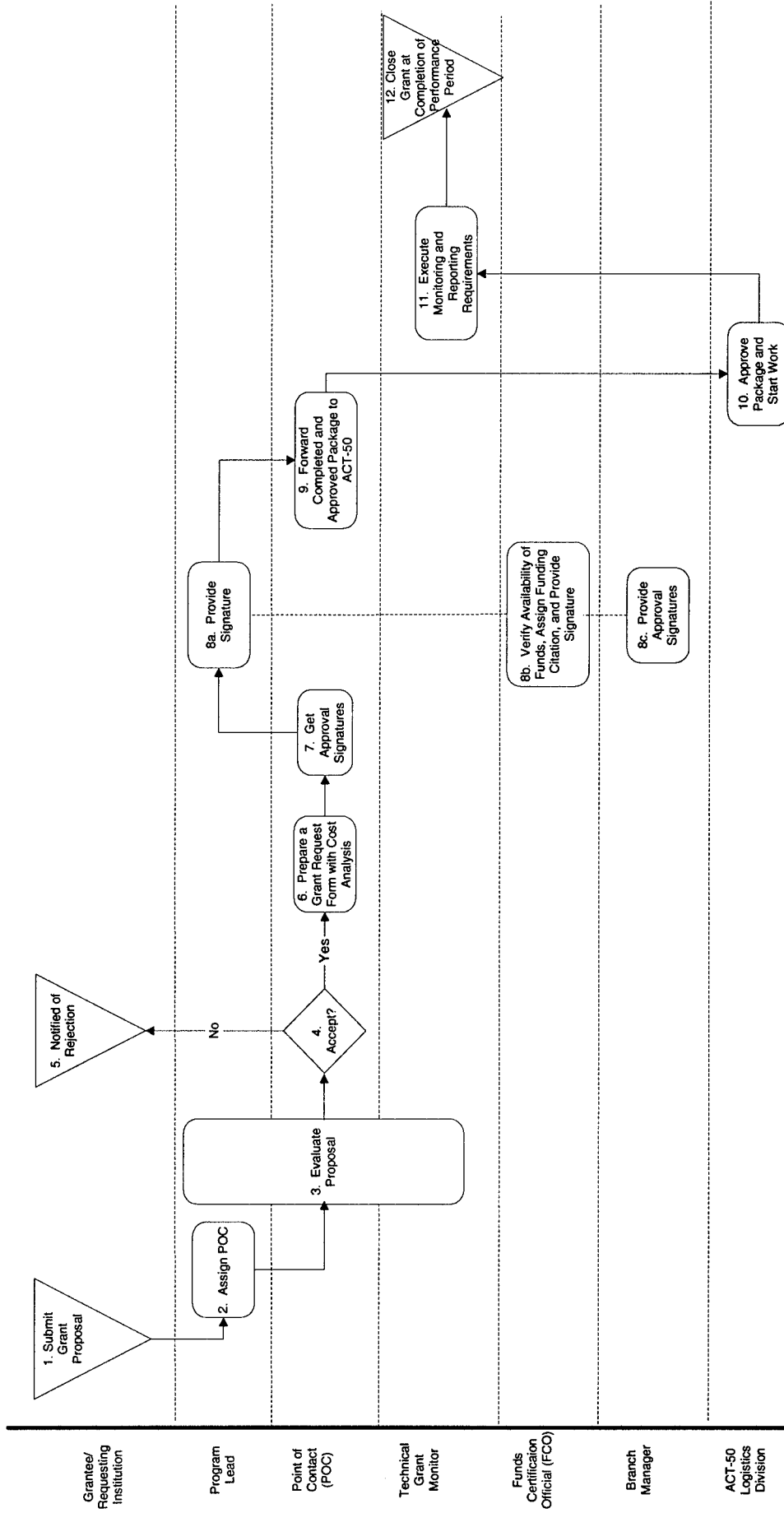


FIGURE 10. GRANTS PROCESS DIAGRAM

TABLE 9. GRANTS PROCESS DESCRIPTION

Step ID	Who	Description
1.	Grantee / Requesting Institution	Submits Grant Proposal This process is entered when a potential grantee/requesting institution submits a proposal to the FAA, and ACT-50 forwards to AAR-500 a copy of the program for consideration. The submitted proposal will be accompanied by "Cover Sheet for Proposals to the Federal Aviation Administration", Form OMB No. 2120-0559. ACT-50 maintains the original request.
2.	Program Lead	Assign Point of Contact (POC) The Program Lead assigns a POC to participate in evaluation and coordination paperwork. This individual is usually selected based on their technical experience in the subject/functional area being proposed in the grant request.
3.	Program Lead Point of Contact (POC) Technical Grant Monitor	Evaluate Proposal The Program Lead, POC and the appointed Technical Grant Monitor review the proposal. The proposal review is conducted based on the current needs of the program and evaluation requirements outlined in FAA Order 9550.7A. Evaluation results must be captured in the "Aviation Research Proposal Evaluation Package" and must include a signed "Certificate of Nondisclosure".
4.		Accept? If the evaluation team rejects the proposal, proceed to process Step 5 after preparing the formal rejection. If the proposal is accepted, proceed to process Step 6.
5.	Grantee/ Requesting Institution	Notified of Rejection For rejected proposals, the process is exited once notification has been forwarded to the potential grantee/requesting institution.
6.	POC	Prepare a Grant Request Form with Cost Analysis For accepted proposals the POC will prepare the required Grant Request Form with Cost Analysis.
7.	POC	Get Approval Signatures The POC reviews the grant package and coordinates approval signatures through the appropriate hierarchy.
8a. 8b. 8c.	Program Lead FCO Branch Manager	Provide Approval Signatures The Program Lead, FCO, and Branch Manager provide approval signatures, certify that the funds are available and ascertain that the proper accounting code is being charged. The FCO also assigns the funding citation and confirms that the applicable forms are complete. The package is then returned to the POC.
9.	POC	Forward Completed and Approved package to ACT-50 The completed package, with all applicable approval signatures, must contain the following: <ul style="list-style-type: none"> • Cost Analysis Checklist (if funded) • Grant Request form (if funded) • Final Response to Request for Evaluation form • Summary Proposal Evaluation Package • Aviation Research Grants Evaluation Package • Proposal copies
10.	ACT-50 Logistics Division	Approve Package and Work Start The POC forwards the completed package to ACT-50 for final approval. Work can begin once package is approved.

TABLE 9. GRANTS PROCESS DESCRIPTION

Step ID	Who	Description
11.	Technical Grant Monitor	Execute Monitoring and Reporting Requirements Accepted proposals are executed based on the terms of the grant document. The Technical Grant Monitor is responsible for monitoring performance and submitting reporting documents as required in FAA Order 9550.7A.
12.	Technical Grant Monitor	Close Grant at Completion of Performance Period The Program Lead and the Technical Grant Monitor review the success of the project at the close, and the Technical Grant Monitor completes any necessary closeout forms.

Other important points to note regarding grants include:

- Nearly all FAA research grants and cooperative agreements are funded using the project funds of the FAA's individual Research, Engineering and Development (RE&D) programs. Proposals must be approved and recommended by the RE&D program managers if they are to be funded. For this reason, it is to the benefit of the grant-seeking organization to make contact with the appropriate FAA RE&D Program Manager to discuss research plans and goals before preparing an official grant proposal.
- The FAA encourages cost sharing where both the FAA customer and the grantee provide a portion of the financial assets needed to fund the research projects, ensuring that both reap the benefits of the results.
- Order 9550.7A, "Research Grants Program", provides critical guidance, and includes specific information regarding:
 - ✓ Proposal submissions
 - ✓ Types of grants
 - ✓ Proposal reviews and evaluation
 - ✓ Grant awards
 - ✓ Payment requirements
 - ✓ Reporting requirements
 - ✓ Key roles and responsibilities of the FAA and the grantee
 - ✓ Monitoring project performance

The FAA is moving towards a fully automated process for establishing grants. The system can be accessed at <http://www.dot.gov/general/commerce> for testing purposes only, and will be fully implemented some time in the future.

5. CONCLUSION

This Contract Management Handbook provides guidance to the AAR-500 personnel tasked to purchase goods and services from external suppliers, and the criteria for selecting the appropriate

vehicle/method for procurement. The AAR-500 personnel and contractors will follow the processes provided in this handbook in conjunction with the ACT-50 Contracts Management Processes, and other applicable processes and guidelines. Adherence to these processes will ensure that the activities under contract are being performed in accordance with contractual requirements, and that evolving products and services will satisfy contractual requirements.

As a supplement to the FAA's AMS policy, this handbook meets AAR-500's goal of obtaining high quality products and services in a timely, cost-effective manner, at fair and reasonable prices.

6. REFERENCES

1. Display System Replacement (DSR) In-Service Management Team (ISMT) and ACT-50 Logistics Division. (1999) Credit Card Purchase Process Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
2. Federal Aviation Administration. (1996) Acquisition Management System (AMS). Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
3. Federal Aviation Administration, Logistics Division (ACT-50). (1999) Credit Card Purchase with Template/Form or Procurement Request Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
4. Federal Aviation Administration, Logistics Division (ACT-50) (1999) Management Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
5. Federal Aviation Administration, Logistics Division (ACT-50) (1999) Evaluation and Award Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
6. Federal Aviation Administration, Logistics Division (ACT-50) (1999) Interagency Agreement/ Reimbursable Agreement Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
7. Federal Aviation Administration, Logistics Division (ACT-50) (1999) Post Award Contract Management Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
8. Federal Aviation Administration, Logistics Division (ACT-50) (1999) Pre-Award Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
9. Federal Aviation Administration, Logistics Division (ACT-50) (1999) Revision (Modification) and Delivery Order Contract Management Process. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
10. Federal Aviation Administration, Order CT 4400.14A Subj. Commercial Credit Cards. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
11. Federal Aviation Administration, Order 9550.6A. Cooperative Research and Development Agreements (CRDAs). Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
12. Federal Aviation Administration, Order 9550.7A Research Grants Program. Atlantic City, NJ: William J. Hughes Technical Center Printing Office.
13. ACT-50 "Assumptions" Tool

APPENDIX A - COMMERCIAL CREDIT CARD APPROVAL SHEET

**AVIATION SECURITY R & D DIVISION, AAR-500
COMMERCIAL CREDIT CARD APPROVAL SHEET**

1. Name of Requester/Date/Phone: _____

2. Credit Card Holder: _____

3. Item to be ordered: Please print legibly. If more than one item, list items on separate sheet.

Item Name: _____ Quantity: _____

Stock/Part: _____ Price Each \$ _____

4. Merchant Name: _____ Phone: _____

5. Is this a small business _____? If "No", please see Donna for an additional form to fill out.

6. Type of Purchase being made:

____ Subscriptions/Books	(Coordinated/Approved ACT-14)
____ Graphics/Visuals	(Coordinated/Approved ACT-141)
____ ADP	(Coordinated/Approved ACT-141)
____ Conference Space	(Coordinated/Approved ACT-400)
____ Furniture	(Coordinated/Approved ACT-400)
____ Media Handouts	(Coordinated Washington PA)
____ Training	(Coordinated/Approved ACT-110)
____ Accountable Property	(Coordinated/Approved ACT-130)
____ Test Equipment	(Coordinated/Approved ACT-32)
____ Plant Equipment	(Coordinated/Approved ACT-400)
____ Safety Items	(Coordinated/Approved ACT-400)
____ Telecommunications	(Coordinated/Approved ACT-142)

7. Justification _____

8. Approvals: A. Requester's Supervisor: _____

B. AAR-500 Funds Certification Official: _____

C. Funding Citation to be charged for purchase: _____

D. Credit Cardholder's Approving Manager: _____

E. Approving Official or Designee in Contracts Branch (if Required): _____

APPENDIX B - REQUISITION REQUEST FORM

REQUISITION REQUEST FORM

REQUISITION #: _____

DATE: _____

Instructions: Fill in the following information. Please remember to obtain your appropriate Program Lead approval PRIOR to asking your secretary to generate a Requisition. Program Lead and Donna **MUST** initial in below grid before you forward to your secretary.

PRE-APPROVAL GRID: _____ PROGRAM LEAD APPROVAL
_____ FUNDS CERTIFICATION OFFICIAL
_____ BRANCH MANAGER
_____ SECRETARY

.....

NAME/ROUTING/PHONE: _____

CONTRACTOR NAME/ADDRESS/PHONE: _____

NAME OF BUYER (IF KNOWN): _____

ITEM: _____

QUANTITY: _____

UNIT OF ISSUE: _____

UNIT COST: _____

TOTAL COST: From By To

DATE NEEDED BY: _____

EXTENDED DESCRIPTION:

ATTACHMENTS

ATTACHED FILE NAME (S):

Funding Citation:

**APPENDIX C - STATEMENT OF WORK &
INDEPENDENT GOVERNMENT COST ESTIMATE TEMPLATES**

STATEMENT OF WORK TEMPLATE

- 1.0 Background
 - 2.0 Problem Statement
 - 3.0 Objective
 - 4.0 Requirements
 - 4.1 Outcome
 - 4.2 Test Overview
 - 5.0 Deliverables
 - 5.1 Project Plan
 - 5.2 Test & Evaluation Plan (TEP)
 - 5.3 Database Development and Population Documentation
 - 5.4 Preliminary Data Report
 - 5.5 Quick-Look Report
 - 5.6 Final Report/Test and Evaluation Report (TER)
 - 5.7 Miscellaneous
 - 5.7.1 Trip Reports
 - 5.7.2 Monthly Status Reports
 - 5.7.3 Biweekly Coordination and Status Meetings
 - 5.7.4 Review of Documents
 - 5.7.5 Submission Address
 - 6.0 Period of Performance
 - 7.0 Other Information
 - 7.1 Travel
 - 7.2 Participants
 - 7.3 Government Furnished Equipment and Information
 - 7.4 Technical Monitor
 - 7.5 Proposal Responses
 - 7.5.1 Work Breakdown Structure
 - 7.5.2 Identification and resumes of personnel
 - 7.5.3 Identification of major project risks
 - 7.5.4 Risk mitigation strategy
 - 7.5.5 Quality control and assurance plan
 - 8.0 References
-

Independent Government Cost Estimate (IGCE)

Labor

Labor Category Estimated Hours X Rate =

Loaded Labor Program Manager Hours @ ?% of Total Hours =

Labor Total =

Travel

Destination # of trips (# of days X # of persons) from ? to ??
Transportation = \$
Days X Lodging, Meals, Incidentals =
General & Administrative @ ?% of Total Travel Costs =

Travel Total

Total estimated labor and travel costs =

APPENDIX D - PROCESS COMPLIANCE CHECKLIST

Introduction

Process compliance checklists are used to ensure approved processes are being followed. The Branch Manager, Project Lead and/or Project Managers complete these forms. This appendix contains checklists for each process in this document.

How to Use

Applicable processes are reproduced and place in the project folder. Process compliance is reviewed during project status meetings and noted on the checklist. Issues, concerns, deviations from the approved process and other notes are recorded in the “Comments” section. At the end of the project, the completed checklist can be used to capture lessons learned.

AAR-500 Process Compliance and Artifact Checklist

Project Name: _____

Project Manager: _____

Auditor(s): ☐ Branch Manager _____
☐ Program Lead _____
☐ Project Manager _____

Process: **Credit Cards Purchases Up to \$10K (Process)**
(AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
Completed Commercial Credit Card Approval Sheet	Y / N / NA			
Approval signatures	Y / N / NA			
Card Holder Log	Y / N / NA			
Record of Telephone Credit Card Order	Y / N / NA			
Invoices and/or billing statements	Y / N / NA			
Barcode(s)	Y / N / NA			
Reconciled invoices	Y / N / NA			

AAR-500 Process Compliance and Artifact Checklist

Project Name:_____

Project Manager:_____

Auditor(s): ☐ Branch Manager_____

☐ Program Lead_____

☐ Project Manager_____

Process: **Credit Cards Purchases Up to \$100K (Process)**
(AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
Completed Commercial Credit Card Approval Sheet	Y / N / NA			
Approval signatures	Y / N / NA			
Invoices and/or billing statements	Y / N / NA			
ACT-50 approval to use credit card for purchase (may be verbal)	Y / N / NA			
Barcode	Y / N / NA			
Reconciled invoices	Y / N / NA			

AAR-500 Process Compliance and Artifact Checklist

Project Name: _____

Project Manager: _____

Auditor(s): ☐ Branch Manager _____
☐ Program Lead _____
☐ Project Manager _____

Process: **Delivery Orders on Existing Commercial Contracts (Process)**
(AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
SOW and GCE	Y / N / NA			
Redlines/updates to SOW and/or GCE	Y / N / NA			
Completed Requisition Request Form	Y / N / NA			
Approval signatures	Y / N / NA			
Request for Proposal (issued by ACT-50)	Y / N / NA			
Technical and Cost Proposal (from vendor)	Y / N / NA			
Technical and Cost Proposal evaluation	Y / N / NA			
Formal acceptance or rejection	Y / N / NA			

AAR-500 Process Compliance and Artifact Checklist

Project Name: _____

Project Manager: _____

Auditor(s): ☐ Branch Manager _____
 ☐ Program Lead _____
 ☐ Project Manager _____

Process: **New Commercial Contract (Process)**
 (AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
SOW and GCE	Y / N / NA			
Redlines/updates to SOW and/or GCE	Y / N / NA			
Completed Requisition Request Form	Y / N / NA			
Approval signatures	Y / N / NA			
Screening Information Request	Y / N / NA			
Technical and Cost Proposal (from vendor)	Y / N / NA			
Technical and Cost Proposal evaluation	Y / N / NA			
Formal acceptance or rejection	Y / N / NA			

AAR-500 Process Compliance and Artifact Checklist

Project Name: _____

Project Manager: _____

Auditor(s): ☐ Branch Manager _____
☐ Program Lead _____
☐ Project Manager _____

Process: **Interagency Agreements (Process)**
(AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
SOW and GCE	Y / N / NA			
Completed Requisition Request Form	Y / N / NA			
Approval signatures	Y / N / NA			
MIPR (or other appropriate form, completed by ACT-50)	Y / N / NA			
Draft agreement	Y / N / NA			
Comments, redlines, communications, updates, etc.	Y / N / NA			
Final agreement	Y / N / NA			

AAR-500 Process Compliance and Artifact Checklist

Project Name: _____

Project Manager: _____

Auditor(s): ☐ Branch Manager _____
 ☐ Program Lead _____
 ☐ Project Manager _____

Process: **International Agreement (Process)**
 (AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
Need statement/ documented opportunity	Y / N / NA			
Communications (memos, emails, etc.)	Y / N / NA			
Draft Agreement	Y / N / NA			
Reimbursable Account	Y / N / NA			

AAR-500 Process Compliance and Artifact Checklist

Project Name: _____

Project Manager: _____

Auditor(s): ☐ Branch Manager _____
 ☐ Program Lead _____
 ☐ Project Manager _____

Process: **Grants (Process)**
 (AAR-500 Contracts Management Handbook)

Artifact	Completed?	Date Completed	Audited By	Comments
Grant Proposal (from grantee/requesting organization)	Y / N / NA			
Updated responsibility sheet (ID POC)	Y / N / NA			
Proposal evaluation	Y / N / NA			
Proposal acceptance or rejection	Y / N / NA			
Grant Request Form with Cost Analysis	Y / N / NA			
Approval signatures	Y / N / NA			
Grant package (to forward to ACT-50): <ul style="list-style-type: none"> • Cost Analysis Checklist (if funded) • Grant Request form • Final Response to Request for Evaluation form • Summary Proposal Evaluation package • Aviation Research Grants Evaluation package • Proposal copies 	Y / N / NA			
Monitoring and Reporting artifacts	Y / N / NA			
Grant close-out artifacts	Y / N / NA			

APPENDIX E - DOCUMENT CHANGE HISTORY

Version	Description/Author	Date(s)	FAA Approval
0.1	This first draft was written based on redlines from the existing Human Factors Contracts Management Handbook.	August 8, 2001	None
0.2	Changes were made based on redlines from Diane Wilson and Donna M. Tropicano.	September 21, 2001	None